

# Housing Benefit Direct.....

For staff involved in the delivery of HB/CTB in Local Authorities

December 2005

Issue 48

## Editorial

As most of you will know, there have been further changes at DWP over the last month. We now have a new Permanent Secretary, Leigh Lewis, who joins us from the Home Office but brings with him previous experience in DWP, as Chief Executive of Jobcentre Plus.



And John Hutton has been appointed as the new Secretary of State. Although he has only been in post for a few weeks, we have already had the opportunity to meet John Hutton and to discuss the Housing Benefit agenda with him. There is no doubt that HB will continue to play a key part in the wider welfare reform programme, and our Ministers are very much aware of the vital role that you all play in helping to ensure that reform happens.

In terms of taking forward our reform programme, Ministers are keen to ensure that we get the detail of legislation right, and that the Housing Benefit reforms fit with their wider welfare reform principles and agenda. They also consider that it is very important to build on the experience of the current Local Housing Allowance pathfinders. Whilst the arrival of a new Secretary of State means that the picture will need to be looked at afresh, in the Queen's Speech the Government made a commitment to introduce legislation on Housing Benefit reform during this first parliamentary session – which means before July 2006 – and this is still the position. However, our planning assumption now is that legislation will not be introduced until at least spring 2006. Meanwhile, the evaluation of the Local Housing Allowance pathfinders is continuing, and this gives us more time to consider the findings.

There is of course a lot to be getting on with that doesn't require legislation. You will see inside an update on our administration subsidy reforms, and we are now at the piloting stage of the new IT link to DWP which replaces the RATs. I am sure there's a lot of potential to develop this link further and we are now starting to look at the possibilities.

Slightly belatedly, congratulations to Liverpool City Council who won the Excellence in Customer Care category at the recent IRRV awards ceremony.

It's a bit early to say this but as the next edition of Housing Benefit Direct will come out at the start of 2006, I hope you all have a good Christmas break.

*Paul Howarth, Head of Housing Benefit Strategy Division*

Email: ✉ [Paul.Howarth@dwp.gsi.gov.uk](mailto:Paul.Howarth@dwp.gsi.gov.uk)



Merry.  
Christmas

## Moving on

After four and a half years as deputy to Paul, I shall be moving on 12 December to become Head of Fraud and Error Strategy Division here in DWP. I have thoroughly enjoyed working on Housing Benefit over this period and have appreciated the opportunity to meet so many of you through visits, working groups, conferences, etc. I am extremely grateful for all the cooperation and constructive advice (not to mention difficult questions!) on HB matters that those of you I have met have given me over that time. I believe that together we have played a part in helping to progress reform of the policies and operation of HB and CTB.

Although, I am sorry to be leaving Housing Benefit Strategy Division, I am pleased that my new responsibilities mean that I will still have some ongoing contact with local authorities in relation to DWP's generic policies on fraud and error for the benefits system as whole. I therefore hope to see some of you from time to time but meanwhile I wish to thank you all very much indeed for helping to make my time on HB so enjoyable and fulfilling, and to wish you all the very best for the future.

*David Barr, Deputy Divisional Manager (Policy)  
Housing Benefit Strategy Division*



**DWP** Department for  
Work and Pensions

## CH/3801/2004 and staying pending an appeal

Commissioners' decision CH/3801/2004 concerned a claim to HB from a man whose partner is subject to immigration control and whose admittance to the UK was on the proviso she would have no recourse to public funds. The Commissioner held that the partner was not a person for whom benefit was being claimed, nor did she have to satisfy the National Insurance Number requirements in Section 1(1B) of the Social Security Administration Act 1992 - the result being the claimant could continue to receive HB as if he were a single person. This runs contrary to policy and published guidance.

The Court of Appeal has granted the Secretary of State leave to appeal the Commissioner's decision. Pending the outcome of this appeal, if you have 'look-alike' cases you should consider the staying provisions outlined in paragraphs C11.939 et seq of the Housing Benefit Guidance Manual.

For further information please contact **Chris Jones** on Tel: ☎ 0113 232 4914 or Email: ✉ [chris.jones@dwp.gsi.gov.uk](mailto:chris.jones@dwp.gsi.gov.uk)

## Administration subsidy review outcome

Earlier this year we convened a working group together with representatives from your associations to consider where improvements could be made to the existing formula for distributing HB/CTB Administration Subsidy from April 2006. The review has now been completed.

The main outcomes are

- for 2006/07 and beyond, separate subsidy payments for Verification Framework (VF) and Security Against Fraud and Error (SAFE) will cease. Instead, funding for what would have been VF and SAFE will be combined into one monthly payment together with HB/CTB Administration Subsidy.
- the new method of distribution takes into account the number of new claims as well as caseload and therefore provides for turnover of cases. The formula also provides for different aspects of claim maintenance and is therefore more reflective of the work that you carry out when administering HB/CTB claims.
- to minimise the effects of introducing the new method of distribution a transitional protection scheme will apply whereby the full effect of the change will be phased in over three years. For 2006/07, no authority will receive less HB/CTB Administration Subsidy than they will have received for the sum of Administration Subsidy and VF in 2005/06 and SAFE payments in 2004/05. Discussions with representatives from your associations on transitional protection for future years will take place at the appropriate time.
- authorities will be expected to meet performance standards to ensure your authority maintains a high level of commitment to tackling fraud and error. We are discussing with your LAA representatives changes to the scoring methodology for the Security Theme in the HB/CTB Performance Standards to ensure that it provides incentives to resource and carry out counter fraud activities.

Further detailed information on the revised distribution methodology is contained in *HB/CTB Circular S4/2005*.

For further information please contact Robert Sneddon by  
Email: ✉ [Robert.Sneddon@dwp.gsi.gov.uk](mailto:Robert.Sneddon@dwp.gsi.gov.uk)

## HB/CTB Take-up Project

Following national roll out of the project by The Pension Service, Housing Benefit Strategy Division are aware of concerns raised by a number of LAs about the potential impact on PIs from 5 December 2005, when the joint Pension Credit and HB/CTB claims process commences. This is linked to the fact that you may receive the 3-page claim form prior to receiving the financial information from The Pension Service via the electronic transfer of data (ETD); therefore, in such cases you would not have all the required information from receipt of initial claim to complete the assessment.

We would like to reassure you that we fully acknowledge the importance of this issue. Over the next quarter, we will be working with the project to carry out a detailed analysis of the end-to-end impact of the new process on performance measures. If necessary, we will consider whether any adjustment to performance measurement methodology is required in order to ensure that the new process does not impact unfairly upon your ability to achieve targets.

Meanwhile, if you have any further concerns about the potential impacts or have actual evidence of PI impacts that are **directly** related to the 3-page form, please email: ✉ [James.Boyd@thepensionservice.gsi.gov.uk](mailto:James.Boyd@thepensionservice.gsi.gov.uk)

## Local Housing Allowance - update


Our extended LHA feature, promised last month, was designed to coincide with the introduction of HB legislation. Since the legislation will now be introduced later than we originally planned, we will return to the LHA supplement later.

However, the LHA Project Team continues to work closely with Pathfinders and the Second Wave Group on all aspects of LHA. A key element of our ongoing work is the development of planning guidance and support material to aid authorities when a decision is made on the national rollout of LHA.

Such material includes

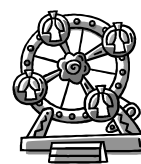
- A guidance manual
- Best Practise
- Training briefs
- Task sheets to aid implementation

As ever, if you have any LHA queries please send them to the following email address

 [LHAAdviceline@dwp.gsi.gov.uk](mailto:LHAAdviceline@dwp.gsi.gov.uk)



*Below is an article from Blackpool LA, the first LA to go live with LHA, who have been running the LHA scheme since November 2003.*



### Blackpool - live with LHA for 2 years ...

November 2005 will see the second anniversary of the LHA in Blackpool. We were the first authority to go live with LHA, introducing the scheme using the 'phased' rather than the 'big bang' approach. So the first year following go live was largely dominated by converting eligible cases onto LHA. Two years on however, and LHA is now in what is called the 'steady state' phase.

One issue that sets LHA aside from the normal maintenance of HB claims is the safeguard policy. Each LHA authority has to develop a policy to determine when it is more appropriate for the payments to be made to the landlord rather than the tenant. While we continue to receive many new requests for direct payment to landlord, we also have to regularly review our previous decisions. The aim is to encourage tenants to take back the responsibility of direct payments, should a change in their circumstances allow them to do so. These decisions are made by the former Pathfinder Project Team Officers. This works well as they can draw on their knowledge and experience gained through implementing the LHA scheme when making the decisions.

After the initial procedural changes at the point of going live with the LHA, we are content that our current practices are working well, and we even received praise by a number of landlords at a recent landlord training event. This is a massive turnaround as these same landlords were very sceptical about LHA when we first started talking to them in the summer of 2003. We have proved, that if you listen to landlord concerns and put procedures in place to reassure them then landlord confidence can be maintained.

We continue to actively seek new opportunities to provide help and advice to all tenants in receipt of LHA, not just those who are vulnerable. We recently visited tenants (who had indicated in a survey they used a cheque cashing service) to promote the advantages of using a bank account. Tenants are encouraged where appropriate to seek guidance from the Citizens Advice Bureau, who can offer help and advice with regards to bank accounts and other debt and budgeting issues.

Tenants remain the hardest group to obtain feedback from, despite our best attempts to establish links prior to the implementation of LHA. However from the queries and correspondence that we receive from tenants the initial panic that some expressed when faced with direct payments has now subsided. Blackpool currently pay 81% of cases direct to the tenant and of these 76% are paid by BACs. Recent efforts to obtain feedback from those paid by cheque has indicated that a large proportion of these tenants already have a bank account. While some prefer a cheque payment others have requested a switch to payment via BACs. This is a good indication that there is widespread access to bank accounts and that accounts are already being utilised to receive other payments and pay bills.

Although we have been live with the LHA for over two years we continue to work with their partners on new ways to help LHA tenants. For example, in an attempt to reduce the number of illegal evictions, we are currently working with their Homelessness Prevention Team to encourage tenants who are in arrears to seek advice from them before the landlord commences eviction proceedings.

We look forward to the continued success of the LHA and working closely with our key stakeholders.

*Thank you to Lesley Marriott, of Blackpool Council, for the above article.*

## FRAIMS overview

The Fraud Referral and Intervention Management System (FRAIMS) is a new IT system that will be launched in Spring 2006. It will incorporate a national referral system that will allow employees, LAs, DWP and members of the public to report suspected fraud and error via a standard intranet/internet based form called a Programme Protection Query (PPQ).

The PPQ form will be available to LA staff, OGD staff and the general public *via the Internet* and to DWP staff *via the intranet*.

FRAIMS will provide, for the first time, a single national database of fraud/compliance and risk cases and will provide an automated referral and case management system for a full range of programme protection activities. FRAIMS will support investigators in managing and progressing individual cases.

FRAIMS will replace many smaller management systems reducing duplication of work and re-keying of data across multiple databases. It will enable comprehensive information to be collected to better inform analysis and assessment of fraud trends and potential new changes to risks.

Business rules within FRAIMS will identify cases and automatically route them to the most appropriate business area. Templates for Fraud Partnership Agreement, and other forms will be replicated in FRAIMS. All prosecutions, administrative penalties, and cautions will be recorded to support Two Strikes legislation, including the migration of current data.

When FRAIMS is launched in spring 2006 expected impacts that you may wish to consider are that referrals will be made via a standard form and will be encouraged to be made via the internet. The process for Two Strikes legislation will change slightly with certificates sent to a more local collection point rather than centrally.

For information please contact **James Ablewhite** Tel: ☎ 020 7712 2426



## Housing Benefit Data Subsidy Collection Project

In *HB/CTB Bulletin G7/2005*, issued July 2005, we provided background information and an outline of the purpose of the Housing Benefit Data Subsidy Collection (HBDSC) Project (formerly known as the Housing Benefit Computer System (Front end) Replacement Project). A request was also made for LA HB subsidy staff volunteers to join a 'User Group' which would input to the project and review and approve documentation throughout the project lifecycle. 15 volunteers now make up the User Group which has already provided valuable input by reviewing the 'High Level Business Requirements' and responding to two questionnaires and ad hoc questions.

Since July the project have attended and provided presentations to the LAA Steering Group, Practitioners Operational Group and the Software Supplier Group to communicate the project's remit and to enlist their support, help and input.

Following work with the commercial and legal teams, it is now anticipated that contract award to the preferred supplier will not be before April 2006. As a result of pressures from the business to ensure as early delivery date as possible, the project has revised its procurement strategy and is now pursuing a fully costed proposal through the incumbent HBS supplier as it is accepted this would shorten timescales.

Further, as a result of feedback from the supplier day, and from work conducted with our technical colleagues, the preferred solution is now an 'e' forms off-line approach rather than a web-based service. The benefits to this approach are

- 1 There will no longer be a dependency on the roll out of the IT Information Flows for LAs project.
- 2 Auto population for those LAs that perform this feature will be easier.
- 3 The solution is 'technology neutral' at the local authority side.

For further information on the project contact either

**Kath Corrigan**, Project Manager Tel: ☎ 01253 333089 Email: ✉ [kathryn.corrigan@dwp.gsi.gov.uk](mailto:kathryn.corrigan@dwp.gsi.gov.uk)

**Julie Williams**, Communications Manager Tel: ☎ 01253 333965 Email: ✉ [julie.williams3@dwp.gsi.gov.uk](mailto:julie.williams3@dwp.gsi.gov.uk)